

Monitor Township Downtown
Development Authority

Audited Financial Statements

Year ended December 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

09-7510

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Monitor Township Downtown Dev. Authority	County Bay
Audit Date 12/31/04	Opinion Date 3/16/04	Date Accountant Report Submitted to State: June 30, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

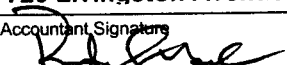
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Andrews Hooper & Pavlik, P.L.C.			
Street Address 720 Livingston Avenue	City Bay City	State MI	ZIP 48708
Accountant Signature 		Date June 3, 2005	

Monitor Township Downtown
Development Authority

Audited Financial Statements

Year ended December 31, 2004

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Report of Independent Auditors

Members of the Board
Monitor Township Downtown
Development Authority
Bay City, Michigan

We have audited the accompanying financial statements of the governmental activities and the major fund of Monitor Township Downtown Development Authority, Bay County, Michigan, a component unit of Monitor Township, Bay County, Michigan, as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monitor Township Downtown Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Monitor Township Downtown Development Authority, Bay County, Michigan, as of December 31, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, Monitor Township Downtown Development Authority has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, for the year ended December 31, 2004.

The budgetary comparison information listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Monitor Township Downtown Development Authority has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is required to supplement, although not required to be part of, the financial statements.

Andrews Hooper & Pavlik P.L.C.

Bay City, Michigan
March 16, 2005

Monitor Township Downtown Development Authority

Statement of Net Assets

December 31, 2004

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 83,174
Taxes receivable	171,592
Grant receivable	1,166
Capital assets	611,410
Total assets	867,342
 Liabilities	
Accounts payable	7,260
Deferred revenue	125,713
Noncurrent liabilities:	
Development agreements due within one year	14,769
Development agreements due in more than one year	11,451
Total liabilities	159,193
 Net assets	
Investment in capital assets	611,410
Unrestricted	96,739
Total net assets	\$708,149

See accompanying notes.

Monitor Township Downtown Development Authority

Statement of Activities

Year ended December 31, 2004

Functions	Expenses	Program Revenues	Governmental Activities
			Net (Expense) Revenue and Change in Net Assets
Primary government			
Governmental activities:			
General government	\$110,171		\$(110,171)
Return of excess property taxes	90,370		(90,370)
Total government activities	200,541		(200,541)
General revenues			
Property taxes from local sources			173,360
Interest			1,120
Sale of land - forfeitures			2,300
Other			10
Total general revenues			176,790
Net assets			
Change in net assets			(23,751)
Net assets, beginning - as restated			731,900
Net assets, ending			\$ 708,149

See accompanying notes.

Monitor Township Downtown Development Authority

Balance Sheet - Governmental Fund

December 31, 2004

	Special Revenue Fund
Assets	
Cash and cash equivalents	\$ 83,174
Taxes receivable	159,257
Grant receivable	1,166
Total assets	<u>\$243,597</u>
Liabilities	
Accounts payable	\$ 7,260
Deferred revenue	125,713
Total liabilities	<u>132,973</u>
Fund balance	
Unreserved	<u>110,624</u>
Total fund balance	<u>110,624</u>
Total liabilities and fund balance	<u>\$243,597</u>

See accompanying notes.

Monitor Township Downtown Development Authority

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets

December 31, 2004

Total Governmental Fund Balance	\$110,624
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Amounts reported for governmental activities in the statement of net assets are different because:

Receivables used in governmental activities are not expected to be collected within 60 days of year end and are not available for current expenditures and are not reported in the governmental funds:

Taxes receivable	12,335
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Capital assets	611,410
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Long-term liabilities are not due and payable in the current period and are not reported in governmental funds:

Development agreements	<u>(26,220)</u>
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Net assets of governmental activities	<u><u>\$708,149</u></u>
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See accompanying notes.

Monitor Township Downtown Development Authority

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund

Year ended December 31, 2004

	Special Revenue Fund
Revenues	
Property taxes from local sources	\$161,025
Interest	1,120
Sale of land - forfeitures	2,300
Other	10
Total revenues	<u>164,455</u>
Expenditures	
Administration	48,000
Auditing	3,900
Consulting fees	7,922
Insurance	1,817
ISTEA Grant	7,620
Legal fees - general	10,707
Maintenance	3,047
Miscellaneous	738
Owners association fees	14,788
Printing and office supplies	2,691
Property taxes	2,779
Public works - engineering	6,162
Debt service payments	<u>14,769</u>
	124,940
Return of excess property taxes	<u>90,370</u>
Total general government expenditures	<u>215,310</u>
Net change in fund balance	(50,855)
Fund balance, beginning	<u>161,479</u>
Fund balance, ending	<u><u>\$110,624</u></u>

See accompanying notes.

Monitor Township Downtown Development Authority

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund to the Statement of Activities

Year ended December 31, 2004

Net Change in Fund Balance - Total Governmental Fund	\$(50,855)
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Amounts reported for governmental activities in the statement of
activities are different because:

Revenues used in governmental activities are not expected to be collected within 60 days of year end and are not available for current expenditures	12,335
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Repayments of liabilities are expenditures for governmental funds but are not an expenditure in the statement of activities (reported in statement of net assets)	<u>14,769</u>
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Net Change in Net Assets	<u><u>\$(23,751)</u></u>
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See accompanying notes.

Monitor Township Downtown Development Authority

Notes to Financial Statements

December 31, 2004

1. Summary of Significant Accounting Policies

Introduction

The Monitor Township Downtown Development Authority (DDA) complies with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The DDA's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The DDA adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), for the year ended December 31, 2004. The requirements of GASB Statement No. 34 include the preparation of financial statements using full accrual basis of accounting and a change in the fund financial statements to focus on major funds. GASB Statement No. 34 also includes the preparation of a Management's Discussion and Analysis (MDA) and a budgetary comparison schedule as required supplemental information. As discussed in Note 2, the DDA has chosen to omit the MDA from their presentation.

These changes are reflected in the accompanying financial statements (including the notes to the financial statements).

Financial Reporting Entity

The DDA was established pursuant to the Downtown Development Authority Act (Act 197 of 1975), as amended. An ordinance was adopted, effective March 25, 1989, which created the DDA and further designated the boundaries of the district within the Township of Monitor, Bay County, Michigan. The DDA operates under the directorship of a board consisting of nine members appointed by the Monitor Township Board. The annual budget of the DDA is approved by the Monitor Township Board. The DDA cannot levy taxes, capture taxes or issue debt without the approval of the Monitor Township Board. The DDA is a discretely presented component unit of Monitor Township and is included in the Monitor Township audit report as such. The DDA was created to halt property value deterioration and the causes thereof, to increase property tax valuation, and to promote economic growth within the development district.

Government-wide Financial Statements

The basic financial statements of the DDA include both government-wide (reporting the DDA as a whole) and fund financial statements (reporting the DDA's major fund). The government-wide and fund financial statements categorize primary activities as governmental activities. The government-wide financial statements consist only of governmental activities. Governmental activities consist solely of the DDA's one special revenue fund, which is its operating fund. This is also the DDA's only major fund.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Government-wide Financial Statements (continued)

In the government-wide statement of net assets, the governmental column is presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net assets of the DDA are reported in two parts: invested in capital assets and unrestricted net assets. The DDA first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the DDA's functions. The functions are also supported by general government revenues. The government-wide statement of activities reduces gross expenses by related program revenues, operating grants and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants. The net costs (by function) are normally covered by general revenue (local sources, interest income, etc.).

This government-wide focus is more on the sustainability of the DDA as an entity and the change in the DDA's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the DDA are reported in individual funds in the fund financial statements. The DDA has one major fund, the Special Revenue Fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures.

The Special Revenue Fund is used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provision or administrative action. Revenues are derived primarily from tax increment revenue and the sale of land within the development district. The activity of the DDA was accounted for in a Special Revenue Fund to comply with the Department of Treasury's "Uniform Chart of Accounts for Counties and Local Units of Government in Michigan."

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Accrual

The government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Modified Accrual

The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Assets, Liabilities and Equity

Deposits and Investments

The DDA's cash and cash equivalents are considered to be cash on hand and cash in the bank. Michigan Compiled Laws, (Act 20 of 1943) Section 129.91, authorizes the local unit to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities, and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligations repurchase agreements; banker's acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The local unit's deposits are in accordance with the authority's statutes.

Taxes Receivable

Management of the DDA considers all taxes receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be expensed in the period of uncollectibility.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Equity (continued)

Capital Assets

Capital assets are reported at historical cost in the government-wide financial statements. Additions, improvements, and other major capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for routine repairs, maintenance, or supplies are expensed as incurred.

Long-Term Obligations

Long-term debt is reported as liabilities in the government-wide statement of net assets.

Fund Equity

Unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Budgets and Budgetary Policies

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the special revenue fund. All annual appropriations lapse at fiscal year end. The DDA does not maintain a formalized encumbrance accounting system.

All budgets are adopted at least 30 days prior to the beginning of the calendar year and are approved by the Monitor Township Board. During the year, the DDA had no budget amendments.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

2. Accounting Changes

On January 1, 2004, the DDA adopted the provisions for GASB Statement No. 34, which establishes the basic financial statements and required supplementary information for the DDA. The information consists of:

- Management's discussion and analysis
- Government-wide financial statements
- Fund financial statements
- Notes to financial statements
- Required supplemental information

Monitor Township Downtown Development Authority has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is required to supplement, although not required to be part of, the financial statements.

In addition, this statement requires the government-wide financial statements to report all assets, liabilities, revenues, and expenses using the economic resources measurement focus and accrual basis of accounting.

As a result of implementing GASB Statement No. 34, the following restatements were made to the beginning net assets for the DDA's governmental activities.

	Unrestricted	Invested in Capital Assets	Total
Net assets, beginning of year, as previously reported	\$161,479		\$161,479
Less adjustment for debt	(40,989)		(40,989)
Plus adjustment for land		\$611,410	611,410
Net assets, beginning of year, as restated	<u>\$120,490</u>	<u>\$611,410</u>	<u>\$731,900</u>

3. Cash and Cash Equivalents - Credit Risk

At December 31, 2004, the book value of the DDA's demand deposits and money market investments was \$83,174 with a corresponding bank balance and market value of \$173,544 of which \$5,544 was covered by Federal Depository Insurance. Therefore, \$5,544 is classified as Category 1 (insured or collateralized) and \$168,000 is classified as Category 3 (not insured or collateralized) credit risk.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

4. Taxes Receivable

Included in taxes receivable in the government-wide financial statements is \$45,879 which is due from the Township and the State of Michigan as described below.

The State of Michigan completed an audit of the DDA's Tax Increment Fund expenditures for the years of 1994-2002 during the year ended December 31, 2004. The audit concluded that the DDA was to refund approximately \$90,370 to the State of Michigan. The DDA paid the liability by December 31, 2004.

The State of Michigan also concluded that the DDA was due approximately \$45,879. The DDA established a receivable of approximately \$33,544 due from Monitor Township, which was unpaid as of December 31, 2004. This amount is recorded as a tax receivable in both the fund and government-wide financial statements. The DDA also established a receivable of approximately \$12,335 due from the State of Michigan, which was unpaid as of December 31, 2004. This amount was recorded as a tax receivable in only the government-wide financial statements.

5. Capital Assets

As of December 31, 2004, the only capital asset owned by the DDA is land located within the district. Approximately 176.75 acres of land was purchased by the DDA on July 26, 1990. The DDA has no depreciable assets. A summary of capital assets activity is as follows:

	Balance January 1, 2004	Increases	Decreases	Balance December 31, 2004
Capital asset not being depreciated:				
Land	\$611,410	—	—	\$611,410

6. Long-Term Debt

Development Agreement Payable - Quantum Composites, Inc.

On February 3, 1998, the DDA entered into a development agreement with Quantum Composites, Inc., under which the DDA agreed to reimburse Quantum Composites, Inc. up to \$25,000 for qualified costs related to handicapped accessibility. The terms of the agreement state that the DDA shall pay Quantum Composites, Inc. seventy-five percent (75%) of the allowable tax increment revenues generated from the site being improved. The DDA has paid \$17,911 of this debt. The unpaid principal balance was \$7,089 at December 31, 2004.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

6. Long-Term Debt (continued)

Development Agreement Payable - Metro Fabricating, Inc.

On September 21, 1998, the DDA entered into a development agreement with Metro Fabricating, Inc., under which the DDA agreed to reimburse Metro Fabricating, Inc. up to \$38,899 for qualified costs related to handicapped accessibility. The terms of the agreement state that the DDA shall pay Metro Fabricating, Inc. seventy-five percent (75%) of the allowable tax increment revenues generated from the site being improved. The obligation is subject to the full payment of the development agreement with G & S Investment Company. The DDA has paid \$24,846 of this debt. The unpaid principal balance was \$14,053 at December 31, 2004.

Development Agreement Payable - Summary

On July 1, 1999, the DDA entered into a development agreement with John P. O'Brien and Ann M. O'Brien, under which the DDA agreed to reimburse these individuals up to \$10,000 for qualified costs related to handicapped accessibility. The terms of the agreement state that the DDA shall pay the O'Brien's seventy-five percent (75%) of the allowable tax increment revenues generated from the site being improved. The DDA has paid \$4,922 of this debt. The unpaid principal balance was \$5,078 at December 31, 2004

Development Agreement Payable -Summary

The following is a summary of changes in debt for the year ended December 31, 2004:

	Balance January 1, 2004	Decrease	Balance December 31, 2004
Development agreement payable:			
Quantum Composites, Inc.	\$14,286	\$ (7,197)	\$ 7,089
Metro Fabricating, Inc.	19,594	(5,541)	14,053
O'Brien	7,109	(2,031)	5,078
Totals	<u>\$40,989</u>	<u>\$(14,769)</u>	<u>\$26,220</u>

There is no interest associated with the development agreements. The annual principal requirement through maturity for all development agreements outstanding as of December 31, 2004 are as follows:

Fiscal Year Ending	Principal
2005	\$14,769
2006	7,464
2007	3,987
Total	<u>\$26,220</u>

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

7. Tax Increment Finance Procedure

The tax increment finance procedure is outlined in Public Act 197 of 1975, as amended. It allows the DDA to receive a portion of the taxes created as a result of increased property values over a base year value on property located within the district. These property taxes are collected by the Monitor Township Treasurer who then pays the collected taxes to the Treasurer of the DDA. Taxes are levied and become an enforceable lien on property on July 1 and December 1 and payable on September 14 and February 28. The DDA recognizes the tax revenues when they are due and payable.

For 2004, the DDA collected 75% of the tax increment finances that they are eligible to receive. The other 25% is to be forwarded to the other taxing entities. The DDA Board determines the percentage to be received on annual basis based on the budget approved by the Monitor Township Board of Trustees.

8. Risk Management

The risk of loss category to which the DDA is exposed and for which it has purchased insurance is for liability only. There have been no significant reductions in insurance coverage as compared to the previous year.

9. Excess of Expenditures Over Appropriations in Budgetary Funds

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2004, the DDA incurred expenditures in certain budgetary items, which were in excess of the amounts appropriated, as follows:

Special Revenue Fund:	Total Appropriations	Amount of Expenditures	Budget Variance
Auditing	\$ 3,800	\$ 3,900	\$ 100
Consulting fees	6,500	7,922	1,422
Insurance	1,300	1,817	517
Legal fees – general	10,000	10,707	707
Return of excess property taxes		90,370	90,370

10. Related Party Transactions

The DDA has an agreement with the Bay County Growth Alliance, Inc., in which the Bay County Growth Alliance, Inc. provides administrative, marketing and accounting services to the DDA. The agreement requires the DDA to remit monthly payments of \$4,000 for the administrative services performed by the employees of the Bay County Growth Alliance, Inc.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

10. Related Party Transactions (continued)

The DDA remitted \$48,000 to the Bay County Growth Alliance, Inc. for administrative services during the year ended December 31, 2004. The Chairperson and President of the Bay County Growth Alliance, Inc. is also the Vice-Chairperson of the DDA.

The DDA has a development agreement with Quantum Composites, Inc. and another agreement with John P. O'Brien and Ann M. O'Brien for reimbursement of qualified costs related to handicapped accessibility. The President of Quantum Composites and an O'Brien are board members of the DDA. See Note 6 for the details of these agreements.

The DDA is a member of the Valley Center Technology Park Owners Association (Association). The Association provides for maintenance and improvements related to Valley Center Technology Park assets owned or controlled by the Association. The DDA paid the Association approximately \$14,800 during the year ended December 31, 2004. The DDA contributed to the Association at a rate of approximately 35%, which is their approximate share of land ownership with the Association.

Required Supplemental Information

Monitor Township Downtown Development Authority
Special Revenue Fund - Budgetary Comparison Schedule
Year ended December 31, 2004

	Original	Final	Actual	Favorable (Unfavorable) Variance
Revenues				
Property taxes from local sources	\$135,106	\$135,106	\$127,481	\$ (7,625)
Interest	1,400	1,400	1,120	(280)
Sale of land	138,000	138,000	2,300	(135,700)
Return of excess property taxes			33,544	33,544
Other	500	500	10	(490)
Total revenues	275,006	275,006	164,455	(110,551)
Expenditures				
Administration	48,000	48,000	48,000	
Auditing	3,800	3,800	3,900	(100)
Consulting fees	6,500	6,500	7,922	(1,422)
Insurance	1,300	1,300	1,817	(517)
ISTEA Grant	22,500	22,500	7,620	14,880
Legal fees - general	10,000	10,000	10,707	(707)
Legal fees - other	20,000	20,000		20,000
Maintenance	4,000	4,000	3,047	953
Meetings and travel	500	500		500
Miscellaneous	1,300	1,300	738	562
Owners association fees	14,788	14,788	14,788	
Permit fees, site review, and selling expenses	1,400	1,400		1,400
Printing and office supplies	3,000	3,000	2,691	309
Property improvements and landscaping	112,000	112,000		112,000
Property taxes	3,129	3,129	2,779	350
Public works - engineering	8,000	8,000	6,162	1,838
Debt service payments	14,789	14,789	14,769	20
	275,006	275,006	124,940	150,066
Return of excess property taxes			90,370	(90,370)
Total general government expenditures	275,006	275,006	215,310	59,696
Excess of expenditures over revenues			(50,855)	(50,855)
Fund balance, beginning	161,479	161,479	161,479	
Fund balance, ending	\$161,479	\$161,479	\$110,624	\$(50,855)

See accompanying notes.